

On motion of Mr. Gray, the rule was further suspended, bill read third time and passed unanimously.

Mr. Wilson introduced a bill relating to the claims of certain creditors of the late Republic of Texas; read first time.

On motion of Mr. Day, the Senate adjourned until 10 o'clock to-morrow morning.

SATURDAY, January 29, 1853.

The Senate was called to order by the President, pursuant to adjournment—Prayer by the Rev. Mr. Baker—roll called—quorum present.

The Journal of yesterday was read and adopted.

Mr. Gray presented the petition of Stephen Richardson; referred to the committee on Public Debt.

Mr. Reaves, chairman of the committee on Engrossed Bills, reported the following bills correctly engrossed, viz:

A bill to amend an act to incorporate the Brazos and Colorado railroad company;

A bill to incorporate Cold Spring Female Academy;

A bill to incorporate the town of Seguin, Guadalupe county;

And A bill making appropriations for the improvement of the rivers of the State.

Mr. Scott, from the committee on Engrossed Bills, reported as correctly engrossed, a bill to incorporate the town of Mount Pleasant in Titus county, and a bill for the relief of Calvin Boals.

Mr. Gray, chairman of the committee on the Judiciary reported back a bill to authorize the county court of Comal county to levy and collect a special tax, and recommended its passage.

Mr. Gray, from the same committee, reported back a bill relating to the fiscal affairs of the late Republic of Texas, and recommended its passage with the following amendment, strike out the 9th section.

Mr. Gray, chairman of the committee on the Judiciary, made the following report:

The committee on the Judiciary having considered an act to incorporate the town of Indianola, recommended its passage with the following amendment:

SEC. 2. That the boundary of said city, and the limits within which said corporation shall exercise jurisdiction, shall begin on

the north, at the mouth of White's Bayou; thence down Matagorda Bay so as to include the harbor in front of Powder Horn Bayou; thence with said Bayou and lake to a point one mile in a straight line south-west from the said Bay of Matagorda; thence in a straight line to a point one mile due south-west from the mouth of White's Bayou; thence to the said place of beginning; *provided*, that whenever the proper courts of law shall decide that the titles of Benito Morales and Juan Cano, are valid ones, all the lands within their original grants which by this act are placed or described within the limits of said corporation, shall be considered as stricken out therefrom, and altogether exempted from the provisions of this charter."

Add to end of section fifteen :

Provided, that none of such assessments or sales or other action of the said corporation shall ever be made to affect in any manner whatever the rights or titles of those persons who may hold lots or lands within the said corporation, under mesne conveyances from Juan Cano, or Benito Morales, made in virtue of grants respectively issued to the said Cano and Morales by the State of Coahuila and Texas, and that nothing contained herein shall be so construed as a recognition of title in said Cano or Morales, or their assigns.

Mr. Wilson reported back to the Senate and recommended the passage of a bill repealing the second section of an act passed on the 10th day of February, 1852, changing the names of Antoinette Scott and Sidney Way, to that of Devereux.

Mr. Williams, chairman of the committee on Internal Improvements, reported back a bill to incorporate the Liberty and Nacogdoches Railroad company, and recommended its passage.

Mr. Bogart, chairman of the committee on Counties and County Boundaries, made the following report:

The committee on Counties and County Boundaries to which was referred a bill creating Hill county, have considered the same, and have also examined the merits of the bill creating the county of Knox. They find that there are conflicting claims embraced in the two bills—to do justice as near as the committee are enabled, recommend the accompanying amendment to the bill creating Hill county. Substitute for section first:

That all the territory comprised in the following limits, to wit: beginning on the south-west line of Ellis county, at a point 22 miles from its west corner; thence south 30 east with the south-west line of said Ellis county, to its south-west corner; thence south 30 east to the north line of Limestone county; thence with the lines of Limestone and McLennan counties, to the north-

east corner of said McLennan county, thence south 60 west crossing the Brazos river to the main Bosque; thence up the main and north Bosque to a point south 60 west from the place of beginning, be, and the same is hereby constituted a new county, by the name and style of the county of Hill.

Additional section :

SECTION 6. That all that territory situated north of the county hereby created, and which was heretofore included within the limits of Navarro county, be attached to and form a part of the territorial limits of the said new county; and for all county and general purposes shall form a part of the same, after the organization of the same and the location of the seat of Justice thereof.

Mr. Bogart, chairman of the committee on Counties and County Boundaries, reported back a bill to amend an act to create the county of Hidalgo, and recommended its passage.

Mr. Armstrong, chairman of the committee on Public Lands, to which was referred the petition of the assignees of Calvin Lynch, reported,

A bill for the relief of the owners of the third league of land lying in the Montgomery land district, patented by the Republic of Texas to the heirs of Calvin Lynch, deceased, upon the head-right third league of land previously granted to Augustus Hotchkiss; read first time.

Mr. Taylor, chairman of the committee on Private Land Claims, reported back to the Senate the petitions of Julia Friley and S. M. Parsons, and asked to be discharged from the further consideration of the same.

Mr. Williams made the following report :

The committee on Internal Improvements have had under consideration a bill to incorporate the Colorado Valley Railroad company, and find the same drawn in strict accordance with the various acts passed by the last Legislature, incorporating railroad companies, except as to name and location, and can see no reason why the good citizens in the Colorado Valley should not be allowed the privilege of constructing railroads as well as those in other sections of the State. A majority of the committee, therefore, instruct me to report the bill back to the Senate and recommend its passage.

Mr. Williams, chairman of the committee on Internal Improvements, to which was referred a bill relating to the Galveston and Red river railway company, reported a substitute therefor and recommended its passage.

Mr. Williams, from the same committee, reported back to the

Senate and recommended the passage of a bill to incorporate the Paris and Pine Bluff Turnpike company.

Mr. Williams, chairman of the committee on Internal Improvements, to which was referred the petition of the citizens of Brownsville, reported a bill to incorporate the Brownsville and Rio Grande railroad company; read first time.

Mr. Williams, from the same committee, reported back a bill to incorporate the Texas Central Railroad Company, with amendments, and recommended their adoption and the passage of the bill.

Mr. Bigelow, from the committee on the Judiciary, to which was referred a bill for the investigation and determination of eleven league land claims in Robertson and Burnet's Colonies, reported the same back and recommended its indefinite postponement.

Mr. Armstrong, chairman of the committee on Public Lands, to which was referred a bill to limit the boards of land commissioners, and more clearly to define their duties, reported the same back and recommended its passage with the following amendment: add to the end of section third:

And the boards of land commissioners, before issuing any such unconditional certificate, shall cause public notice to be given at the expense of the claimant, setting forth the object of the application of the claimant.

Mr. Wilson, from the Judiciary, reported

A bill to provide for making deductions from the salaries of District Judges and District Attorneys, who may neglect the performance of their duties; read first time.

Mr. Parker introduced a bill for the relief of James Smith; read first time.

On motion of Mr. Parker, the rule was suspended, bill read second time, and referred to the committee on Public Debt.

Mr. Armstrong offered the following resolution

Resolved, That the committee on the Judiciary be instructed to enquire into the necessity of appointing a Commissioner on the part of the State of Texas, to proceed to Mexico and procure the originals or copies of the original archives of that government, in relation to land titles in Texas; also, to procure all the laws relating to Texas which are not included in our present compilation of the laws of the State of Coahuila and Texas, and that said committee report by bill or otherwise.

Mr. Gray offered the following resolution:

Resolved, That on each day bills shall be taken up in the following order:

1st, bills on 3rd reading; 2nd, bills from the House on 2nd reading; 3rd, Senate bills on the 2nd reading; 4th, bills on 1st reading.

On motion of Mr. Gray, the rule was suspended, and resolution adopted.

Mr. Davis presented the following report from the Commissioners for the erection of a State Capitol, which was read and referred to the select committee on Capitol.

[Report not in manuscript furnished the printer.]

ORDERS OF THE DAY.

A bill to incorporate the town of Seguin, in Guadalupe county; read third time and passed unanimously.

A bill for the relief of Calvin Boals; read third time and passed.

A bill making appropriations to defray the expenses of the volunteers called into the service of the State for the protection of the frontier; read third time.

On motion of Mr. Potter, the vote which adopted the amendment, striking out the words "His Excellency," wherever they occur, was reconsidered, and bill passed by the following vote:

YEAS—Messrs. Armstrong, Bigelow, Bogart, Dancy, Davis, Day, Duggan, Ford, Gray, Kinney, Meusebach, Potter, Scott, Truit, Williams and Wilson—16.

NAYS—Messrs. Burks, Grimes, Hill, Miller, Parker, Reaves and Taylor—7.

The report of the committee on the Judiciary, on a bill to prevent stallions from running at large, recommending that the bill be laid upon the table; report rejected.

On motion of Mr. Dancy, the bill was amended by adding after the word "stallions," the words "and Jacks."

Mr. Bigelow offered the following amendment: insert "excepting that portion of the State west of the Nueces river, from the provisions of the bill;" adopted and bill ordered to be engrossed.

A bill for the relief of the heirs of Stacy Daily; read second time and ordered to be engrossed.

A message was received from the House, informing the Senate that the House had passed the following bills, viz:

A bill amending the 16th section of an act to provide for the assessment and collection of Taxes, approved 11th Feb'y, 1850;

A bill to authorize the payment by the Treasurer of the State, the amount allowed by a certificate of the Auditor and Comptroller therein named;

A bill to define the time of holding the District Courts in the Tenth Judicial District;

A bill to incorporate the town of Mount Vernon, in Titus county;

A bill for the relief of the inhabitants of Presidio de San Elizario, in El Paso county;

A bill to define the time of holding the District Court of the 13th Judicial District; also, that the House had adopted the following resolution:

Resolved, The House of Representatives, with the concurrence of the Senate, will adjourn *sine die* on Monday 7th February, 1853.

On motion of Mr. Davis, the resolution relative to adjournment was taken up.

Mr. Taylor moved to amend the resolution by striking out "Monday 7th," and inserting "Wednesday 2nd;" rejected by the following vote:

YEAS—Messrs. Armstrong, Bogart, Burks, Duggan, Hart, Reaves, Scott and Taylor—8.

NAYS—Messrs. Bigelow, Dancy, Davis, Day, Ford, Gray, Grimes, Hill, Kinney, Meusebach, Miller, Parker, Potter, Truit, Williams and Wilson—16.

Mr. Parker moved to lay the resolution on the table, until Monday next; lost; the resolution was then adopted.

A bill making appropriations for the improvement of the rivers of the State; read third time.

Mr. Hill offered the following amendment as a substitute for the caption:

An act to encourage the creation of an enormous State debt, and increase to an unknown extent direct taxation; rejected.

On motion of Mr. Bogart, a call of the Senate was made, and Sergeant at-arms despatched after absent members.

On motion of Mr. Parker, the call was suspended. The bill was then passed by the following vote:

YEAS—Messrs. Bigelow, Bogart, Dancy, Davis, Day, Duggan, Ford, Kinney, Meusebach, Miller, Parker, Potter, Scott, Taylor, Truit, Williams and Wilson—17.

NAYS—Messrs. Armstrong, Burks, Gray, Grimes, Hart, Hill and Reaves—7.

On motion of Mr. Dancy, Mr. Potter was added to the committee on Internal Improvements.

On motion of Mr. Bigelow, Mr. Grimes was added to the select committee on Capitol building.

On motion of Mr. Scott, the Senate adjourned until three o'clock P. M.

THREE O'CLOCK, P. M.

Senate met—roll called—quorum present.

Mr. Potter made the following report :

The committee on the Judiciary have examined the resolution in relation to "amending the amendments to the constitution, so as to grant power or authority to the Governor of the State to fill any vacancy in the office of District Judge," &c., and think an amendment of the constitution in order to authorize the Governor to fill vacancies in certain cases proper and necessary, and the committee have directed me to report the accompanying joint resolution and recommend its passage.

Joint resolution proposing an amendment to the constitution; read first time.

Mr. Reaves introduced a bill to fix the mileage and per diem pay of the members of the Legislature; read first time.

Mr. Dancy made the following report:

SENATE CHAMBER, January 28, 1853.

Mr. President: A majority of the committee on Internal Improvements instruct me to report the joint resolution proposing amendments to the constitution, in relation to Internal Improvements by the State, back to the Senate and recommend the passage thereof.

It is not necessary now to enter into a labored argument to prove that it is better for the State to carry on a comprehensive system of Internal Improvements, which will extend its benefits to all parts of our State, than to donate to chartered companies a sufficient amount of land to construct twice as many miles of railroad as will be constructed under the donation system. We willingly admit that it would be better to donate lands and loan money to obtain railroads, than to do without them; but we do not hesitate to give to State works a decided preference over those by private companies. In any state of the case, the State should proceed to construct the great trunk roads which would exercise a controlling influence over all others, and more especially that road which is destined to connect the ports of the Atlantic and Pacific, and become the great channel for the travel and commerce of the eastern and western hemispheres.

The fifty millions of acres of land, which will be set apart if the constitution is amended as proposed, it is believed will yield more than a hundred millions of dollars to the State, at the lowest calculation. The State, then, has every thing to gain and nothing to lose by such a policy. There can be no good reason

to refuse to submit the question to the people. Having full confidence in the good sense and honesty of the people of Texas, we are willing to abide by their decision. After the people have determined which they consider the better policy by a vote, the Legislature will be able to proceed to carry out that policy without any doubt about the wishes of the people.

The system of finance proposed in the amendment to the constitution, will doubtless enable the State to procure money at five per cent. per annum, while individuals associated in companies, will have to pay eight per cent. per annum, which would make a difference in the amount that companies would have to pay for money in forty years of 120 per cent.; thus the cost of construction would be much in favor of the State, without taking into consideration the fact that the public domain and the lands owned, by the people of Texas, would, by a judicious system of Internal Improvements, be increased in value more than five hundred millions of dollars. The election of the Internal Improvement Commissioners by the people, would give us men of ability and integrity to superintend over State works. We do not believe that the public mind will be at rest until the people decide by a direct vote which system they prefer. Let us then submit the question to them, and after a full and fair discussion, they will be able to decide the matter definitely. When this question is settled by the people, the energies of the State will be directed to carrying out that system which is most acceptable to the country. Although we believe it is best for the State to construct her works of Internal Improvements; if the people decide otherwise, we are willing to unite in carrying out the next best system that can be devised. It is evident that the State must either construct her Internal Improvements as State works owned wholly by the State, or that she must aid chartered companies by donations in land and loans of money, if we expect to carry out any system which is calculated to benefit the present generation. If we take it for granted that two thousand miles of railroads can be constructed by either plan in the next ten years from the first of January 1854, let us enquire what will be the condition of Texas if we should adopt the State system, and what would probably be the state of affairs under the company system. The State now proposes to grant to companies 5,120 acres of land for every mile of railroad completed in the State; for 2000 miles this donation would amount to 10 millions 240 thousand acres of land, and it is reasonable to suppose that this would be selected from the best lands belonging to the State. This land at the end of ten years with 2,000 miles of railroad

completed, at a very moderate calculation would be worth four dollars per acre as an average price. Much of it would be worth from 10 to 50 dollars per acre. This would amount to 40 millions 900 thousand dollars donated by the State to construct 20 millions of dollars worth of railroads. Companies would thus pocket 20 millions as clear profit after paying the entire cost of constructing their railroads, all of which might be saved by the State to be appropriated to Internal Improvements.

Let us suppose, on the contrary, that the State should levy a tax of ten cents upon every hundred dollars worth of property in the State for ten years to carry on the State system proposed, what would be the result? At the end of ten years we would have paid but one per cent. upon our property for Internal Improvements, (a sum which is paid in some States as tax in one year,) and the property of every citizen would be increased in value at least one hundred per cent. by the Internal Improvements, which would return us one hundred dollars for every dollar paid by us as an Internal Improvement tax. In addition to this, the balance of the 50 millions of acres of land proposed to be set apart, would doubtless bring two dollars an acre, which would amount to the sum of 79 millions 420 thousand dollars; a sum sufficient to construct seven thousand miles more of railroads. The rapacity of private companies is manifested already by a desire to procure 10,240 acres of land for every mile of railroad completed by them which shall be reserved for them immediately. This would no doubt result in the end like our colony contracts, the State would lose her lands by the combined influence of the companies and settlers holding under them, and the doctrine of *vested rights*, whether the roads were completed or not. In presenting our views to the Senate, we wish it understood that we are not so wedded to our own opinions that we would oppose any other system than the State system. But we have felt it our duty to advocate that system which we believe best calculated to advance the prosperity of our State. If the people decide against us, although we may not be convinced, we will willingly submit to the deliberately expressed opinion of the people, which, whether right or wrong, will always command our respectful consideration. We have presented the matter in a light the most unfavorable to the State. We have no doubt that the \$3,500,000 now at the disposition of the State, would complete a line of railroad from the coast to the public domain, which would enable the State to complete a system of railroads which would extend to every county in the State without borrowing a dollar.

JON W. DANCY, one of the committee.

tionable, without regard to the feasibility of the plan proposed. Supposing it good policy, and allowing that it would yield one hundred millions in the future, still the question recurs, is it a feasible project, even with the aid of taxation at the rate of ten cents on the hundred dollars of taxable property? The interest on the loans must be punctually paid, and capitalists must be assured by some positive and tangible evidence that it will be promptly paid before they will embark in any investment. This is evident, for the great value of a loan, and a main point with a capitalist in loaning his money is not only the security of the principal, but the punctual payment of the interest. Now the taxable property of the people of Texas, according to the last report of the Comptroller, was about fifty millions of dollars. A tax of ten cents on the \$100 of that property would yield a revenue of fifty thousand dollars for payment of interest. The tax therefore would yield (if taxable property did not increase in value) *only an amount to pay interest on a loan of one million dollars*, at five per cent., while the report requires twenty millions dollars loan for 2,000 miles of road, the interest on which at five per cent. would be one million dollars; so that the tax revenue for interest would fall short \$950,000 annually. Every capitalist would clearly see that he had no prospect of payment of his interest on that security—but that in reality a tax of two per cent., or two dollars on every hundred of taxable property, would be necessary, which the people would not grant. Taking, however, the vast increase of taxable property at the extravagant rate as set forth with “unbridled fancy” in the report itself, at five hundred millions dollars in ten years, (which includes public domain as well as taxable property,) we should then get a revenue at the end of ten years, of five hundred thousand dollars, to pay the interests on loans; but the interest on a twenty million dollars loan required by the report, at five per centum per annum, would be just one million of dollars—so that the proposed tax would fall short one half of the necessary amount, or \$500,000 annually. Capitalists can easily see this to be the case at the end of ten years after the 2,000 miles road is completed, and the increased value of State and citizens’ property has taken place, to its fullest extent, according even to the report; and they will also see that their interest would not then be paid, and the loan would be a bad investment, and they would also enquire where the interest for the *first* ten years would come from, before the taxable property and public domain inclusive had thus fully appreciated in value. This increase certainly would not

be a sudden leap in the first year of the "comprehensive system," from fifty millions to five hundred millions dollars.

But it must be borne in mind that the estimate in the report of taxable property and its increase is not even to the amount stated above. The value of five hundred millions includes both taxable property *and public domain*. The report says that the tax of ten cents per hundred dollars, would amount in ten years to one per cent., and that the "property of each citizen (taxable property) would be increased in value at least one hundred per cent., by Internal Improvements, which would return us one hundred dollars for every dollar paid." Now the taxable property is as before stated fifty millions; the increase then in ten years at the rate assumed of one hundred per cent., would make it one hundred millions, from which the interest on the road loans must be raised. The tax proposed would yield only \$200,000 or \$800,000 annually, *less* than the annual interest on the twenty millions loan, at five per cent. Now where would even this amount come from before the expected increase of taxable property took place. The first ten years interest would fall still shorter, and these things capitalists would see into, and would not credit the State.

The money now in our Treasury has not been taken into the estimate here, but if it be applied to aid in payment of the annual deficit of interest, and the estimate of a deficit each year of eight hundred thousand dollars be correct, then the whole fund in the Treasury, say three millions five hundred thousand dollars, would be entirely exhausted in five years or less. So that it appears *that fund*, together with the enormous increase of taxable property would fail to secure the prompt payment of interest on the loans, after that time.

Nor has any estimate been included of the net receipts from the use of the roads, because it is believed that but little would remain after the expense of superintendence, repairs, &c., were paid, because they are entirely speculative at best, and because it can be shown by the experience of other States, that these receipts or profits have not *generally* exceeded the cost of repairs, superintendence, &c., *when owned and managed by the State*, even in those where the travel and transportation is vastly greater than can be expected in Texas for many years to come.

Furthermore, can it be reasonably expected that any capitalist will loan Texas or any other State an amount of money equal to forty per cent. on her actual and ostensible taxable wealth? Can such an investment be deemed a safe one, as a loan of

twenty millions dollars to a State, whose taxable property is only fifty millions dollars by her own public reports, even upon the pledge of fifty millions acres of domain? Can this reasonably be expected by us, when we know that our State credit, however unjustly, is below par with the money Kings and Shylocks of Wall street and Downing street? They will say to us, first pay your public debt at its face value; do away with this scaling system of yours, and then perhaps we will loan you what you may reasonably expect on your papers! Perhaps we should in a short time behold the strange phenomenon of a Leopard changing his spots, a rabid scaling-system man converted by the "comprehensive system" of State works into a pay-at-par advocate of foreign Shylocks and speculators; language with which we have all become familiar from often repetition. If we could secure a credit even under such circumstances, it would never be in consequence of a plan adopted on a report which sneers at *vested rights*, and applauds impliedly a course which will be regarded by the world as a breach of public faith. Such a course can never establish the credit of a State to the extent of twenty millions of dollars at least, in a foreign market, where money brokers, Shylocks and speculators are said to reign supreme. Nor is it desirable that Texas should ever again put herself under their control or influence, by first hawking her bonds among them, beseeching them to negotiate, and then afterwards have to quarrel with them over the doctrine of vested rights.

If it then appears that the State cannot establish a credit sufficient to procure the amount of money necessary to make our improvements, and that it would not be desirable to do so, if she could—the question next recurs, what course is best to be pursued to make them? In my opinion there is no other course than to encourage private companies, and to invite foreign capital through them, either by well guarded charters or incorporations under general laws, or both. Such companies can negotiate loans where the State cannot, and on much better terms. It is not true as stated in the majority report that they cannot procure loans at so low an interest as the State. Nor is it correct that the cost of construction by them is greater than by the State, and her agents and contractors.

The same advantages will be derived by the people in the increase of the value of their property, and also of the public domain, and in facility of travel, by the building 2,000 miles or any other amount, as would be from an equal amount by the State. But the report speaks of the "rapacity of private companies," of the loss of domain donated to them, and that probably

the value so lost will be equal to twenty millions. It forgets to state that the alternate sections of public domain reserved to the State will be increased at least one hundred per cent., that being the rate of increase assumed in the report; it forgets to state that the law requires the domain donated to be sold in six, eight, ten and twelve years from the date of grant to other parties, so as to prevent its accumulation in the hands of companies; it forgets to state that these lands are at once liable to taxation, so that the State will derive a revenue from them, and that it will be the interest of the companies to settle them so as to sell at good prices in the time allowed by law for sale, and it also omits the fact that the State in no event can lose by these companies more than the land donated, which must be forever a source of revenue by taxation, while if she undertakes the work herself, she embarks in a speculation which will lead to far greater expenditures than is now proposed or expected at the beginning. The report in speaking of the "rapacity of private companies," omits the important fact that they will be partly composed of our own citizens, and that such companies are rarely popular with the people or the Legislature, so that it is not likely they could ever unduly influence the government more than contractors on public works under the State plan, and the very important fact is also omitted, that whenever a private company becomes obnoxious to the public good, by extortion in its rates of charges, or becoming in effect a monopoly, then the power is vested in the Legislature by our constitution to repeal the charter on paying for the franchise. This is a great safety-valve from danger under the plan of works by private companies, but it is improbable it would ever be called into use, because such companies operate as a check upon each other. If no exclusive privileges are granted them, as there need not be, then competition will regulate prices and fair management on every line worth preserving.

I do not by any means contend that there are no evils attendant on works of any kind by private companies, all human institutions are liable to be perverted from their true design for good so as to promote evil; hence the greater necessity for care and caution in creating them and in afterwards governing them by law. But the question is not whether there are no evils under the private company or individual enterprise plan, but whether greater evils attend them than under a state system.

What is the voice of history and of experience? In Massachusetts, where as large an amount of improvements have been constructed as anywhere in proportion to her population and extent, and to the results of which in favor of such works, we

are so often pointed, *the State* never owned an inch of railway, or had any interest in the works except by donations or loans at different times, to the amount of some six millions of dollars. She has over 1200 miles of road constructed, *and by companies*; and her taxable property increased in ten years from about \$298,000,000 to about \$500,000,000 or forty per cent.; which of course includes the natural growth and increase of the State without regard to the effect of the roads on its prosperity. The same picture, though not to so great an extent, may be drawn of the works of Connecticut, all built by private companies, aided by the State; and yet we hear of no outcry there on account of the "rapacity."

In Illinois, where the State system was adopted and vast improvements commenced directly by her, a debt by loan was contracted. What was the result? Not a single line of work was entirely finished, the money all expended and the state bankrupted. In discussing the question whether a certain line recently begun there should be carried on by the State or a private company, the railroad Journal, a prominent and reliable authority on all matters connected with railways and their history in the United States, thus speaks. "Any attempt to defeat the project would only recoil with double force on the heads of its authors. It is doubtful whether any attempt will be made to stop it. The courts of the State cannot interfere, as we understand it; neither do we believe the State will attempt it in her sovereign capacity. It would be too monstrous an act of folly and injustice to be thought of for a moment. The '*State policy*' is dead. The people of Illinois have had enough of it. It is an absurdity upon which has been sacrificed twelve or fifteen millions dollars, which has brought with it repudiation, disgrace and a loss of credit, from which the State will suffer an additional loss of millions more. Illinois railroad securities will not bring so much by ten per cent. as equally good ones, owing in a great measure to the results of her '*State policy*.'"

Michigan projected a system of improvements, embracing 537 miles of railway, 231 miles of canal, and 321 miles of river navigation. Of these roads two were to run parallel to each other across her noble Peninsula, connecting Lake Erie with Lake Michigan. The most northerly of these was called the central road, and was to connect Detroit with St. Joseph's. The other called the southern, was to run from Monroe to Lake Michigan. For the construction of these works mainly, the State issued her bonds for a loan of five millions from the United States bank. The first instalment was paid and the bank failed, leaving the

State bankrupt with her two roads partly built, and of little value. Now what is there to prevent similar results to these in Texas, if she borrows money and embarks on her own responsibility in speculation based on borrowed capital?

The precise state of the case in Ohio, where a similar system was adopted, I have not the data at hand to make an expose, but it is certain that great evils have resulted, and a most profligate expenditure of public money, leaving the State largely involved in debt, with not near the amount of works that the expenditure should have produced. The Secretary of State of Ohio thus speaks on the subject of the comparative advantage of works by the State or private companies:

"In earlier times when our State engaged in making Internal Improvements, it was not known whether the experiment would succeed; in fact, the investment was regarded as hazardous, and capitalists could not be induced to engage in the enterprise. But you will see by our present constitution that our State shall hereafter never become a joint owner or stockholder in any company or association in this State or elsewhere, formed for any purpose whatever; and even the propriety of selling out the State's interest in all our public works is now being discussed. With us all improvements are left where they rightfully should be, viz: *where capital seeks investment*. The system is found to work well. Although labor costs much more than it did when the State was engaged in the work; the advancement in the way of railroads, plank roads, &c., was never so rapid as at this time. *Experience* shows undoubtedly, that the State ought not to engage in those works; for it is found, that while they are seldom advantageous to a State, they rarely fail to be profitable to private capitalists. It is well known that governments always pay more for services and labor than companies and individuals, and hence it is that *if* railroads, plank roads, &c., are found profitable to States, they will always be found more profitable to companies and individuals. If then proper laws are enacted by a State, capital will not be wanting at this day to make those improvements. The provision in our constitution already mentioned, is almost universally believed to be a wise one."

I present a statement of the condition of things in Pennsylvania under the State system, well prepared by a citizen of that State, whose position as an officer of government, and whose connection with the public works there, entitles it to great authority and reliance. He says of Pennsylvania:

"At an early period in the history of the State, when the condition of things were, perhaps, not dissimilar to that which

exists in Texas, when capital was in demand, the want of tonnage improvements much felt, and individual means and confidence scarcely adequate to the emergency, the matter was broached of making the State adopt a general system of Internal Improvements, that is, embark in the construction of canals and railroads. Considerable agitation of the question followed, resulting in the adoption of the improvement policy by the State. Numerous lines of improvements were speedily projected, the construction of which by the State were warmly urged by the respective local interests; legislative enactments followed each other in rapid succession, authorizing their construction and appropriating the necessary funds. Loan after loan rendered necessary by extravagant expenditure was negotiated, and the work went "bravely on," until in the year 1845 the State was involved in an indebtedness of over forty millions dollars!" Of this amount about two millions was invested in stock of *turnpike* companies, some forty in number, which have yielded little or no interest to the State, while most of the principal is a total loss.

"The general management and supervision of the several improvements owned by the State, are under the immediate control of a board of *three individuals elected by the people*, one annually for three years. They make reports to each session of the Legislature of the business done on the several lines in detail. All the receipts are paid by the collectors directly into the State Treasury, and no money can be expended, not even for current necessary business, unless appropriated by law. A great multiplicity of enactments have been passed within the last few years, increasing accountability of public officers, and with the view of simplifying the system and reducing expenditures."

"Some lines of our improvements have been highly productive, yet *in the aggregate they have not*; neither will they, I apprehend, indemnify the State for the expenditure of their construction. Some of the lines have been deprived of their tonnage by private companies who have become the successful competitors of the State.

"Pennsylvania owns and has in actual operation 652½ miles of canal and railway, and 94½ miles of canal (the north branch) in course of construction, the actual *constructive cost* of which has been a fraction over twenty millions of dollars. The *gross receipts* last year from these sources, were \$1,793,624; this year just closing will net the State one million beyond current expenses. The main lines of our public improvements, it cannot be denied, have been highly productive, perhaps, in view of all the unfavorable circumstances and influences operating to their pre-

judice, and perhaps the most serious cause of regret, *growing out of the system*, is to be found in the fact, that sectional influences too often were powerful enough to induce the undertaking of works that could never become of public utility or profit, and which after large sums had been expended, were finally abandoned altogether, or else resigned at a sacrifice to the hands of subsequent private corporators.

"With the exception of the completion of the north branch canal, the State has ceased for a long time to embark directly herself in any new improvements; and confides it to private companies. To avoid time and expense of legislation, in chartering railroad companies, and for manufacturing purposes, general laws have been provided."

"With the experience of the improvement system in Pennsylvania, her tax paying citizens could not warmly urge the adoption of a similar policy upon a sister State, especially if it be not more successful than here, financially considered."

"Charter under proper restrictions, improvement companies, *in localities where they are needed*, and if necessary to ensure confidence and success of construction, lend the aid of the State to a reasonable and limited extent, donate your surplus lands, if you have any, or ask Congress for grants to aid; but whatever you do, make not the State bear the burthen and responsibility. Improvements owned by the State will, from the nature of things, be mainly confided to the hands of *politicians*, a class of people known to be generally poor business men, and but poorly competent for superior management to private companies. Our improvements have made hundreds of speculators wealthy; but it has been done at the cost of the tax payers, as an indebtedness of *forty millions* too well testifies. The ingenuity of our people and tax payers is now brought into most painful activity to devise means of reducing the debt, and relieving us from the evils inflicted in time past."

The State of New York and her system of works have been often referred to as a *model system*; and comparisons are continually made of the superior cheapness of transportation under a State system, over that by companies, based on the reports relating to the public works of New York. Now strange to say, the only kinds of work owned by that State are canals, transportation on which is always less than by land conveyance. Not a mile of railway is owned by that State entirely. She is a stockholder in them, but does not own a mile solely, and so of course does not regulate the price. All calculations therefore based on State reports of public works owned by New York are likely to

lead to error, and if the reports of her companies who own the entire railway property there does show greater cheapness of transport than elsewhere, then the proof is in favor of private companies. But what is the State of things in New York, as also Pennsylvania, in regard to the State canals owned by her? Extravagance, profligacy and corruption, produced by local interests and influences of public contractors, are rife throughout the State. Politicians make the State works the stalking horse on which to ride into power. The control of them is an object sought for with avidity by each political party, because of the influence they give in State elections, and the opportunity afforded to greedy and base servants to enrich themselves at the expense of the State. At each State election the canal works are made the turning point of the contest. The office of canal commissioner is regarded as the chief gain of party, and that party which triumphs in this election universally carries the State. Every year evidences of corruption by the party in power are exposed to the people as a reason of changing rulers, and at each change the same scenes are re-enacted. Thus politicians and speculators gain power and wealth at the cost of the State and her tax paying people. No longer than two years ago a scene of corruption was exhibited to the world by New York, at which even Texas, with all her sins upon her head, stood abashed. It was in the letting of contracts for the enlargement of the Erie canal. Favoritism and speculation were the governing principles, and had those contracts been carried out, the State would have been involved in a debt of millions, with a certainty of increased taxation, and great uncertainty of a corresponding benefit. Fortunately the constitution of that State had a restraining clause, and the Judiciary, by sustaining the constitution and declaring the laws authorizing these contracts null and void, delivered the State from the evils apprehended, and exposed the shame and disgrace of those who participated in them. The same sort of scenes, though not to the same extent, are often exhibited in Pennsylvania.

It is hoped that Texas will profit by the experience of her sisters, avoid the rock on which they were wrecked, and not be like the man who preferred to experience the awful effects of drunkenness in his own person, instead of being warned by the example of others. We shall thus escape the horrors of sectional and local conflicts, and the corrupt influences of a vast amount of money and power, controlled by politicians and public contractors.

As to submitting the proposed amendment and the subject to

the vote of the people, no representative in this free country desires to act contrary to their will. They are entitled to be consulted in every case where their opinions have not been fully manifested. This it is believed has been done. The whole subject has been discussed and canvassed for years past, and popular expressions enough made by the press, meetings and conventions, to indicate that immediate action in some safe and prudent mode is desired. The country demands action, and no other prompt and efficient mode can be now adopted, except by loans or donations to private companies. The State plan, commonly known in Texas as the "Galveston plan," has been most diligently urged on the people, and has met with no favorable response, except in two localities, where meetings were got up for the purpose under favorable circumstances, and it is believed that even there the popular will is opposed to it. Certain it is that the largest meetings and conventions throughout the State have repudiated it. As an example, take the adoption of the following report to the convention at Austin in September, 1852:

Hon. Jon W. Dancy, chairman of the committee on Routes and Ways and Means, then made the following report:

"CITY OF AUSTIN, September 6, 1852.

"The committee on Routes and Ways and Means, to which were referred a resolution making it their duty to report a general plan of railroads for the State of Texas; a resolution making it their duty to report upon the best means of perfecting the Railroad System recommended, and also a resolution recommending the construction of a railroad from the Opelousas and Orleans Railroad at the Sabine through the City of Austin, have considered the resolutions and directed me to make the following report:

"There is such an extent of territory, as well as such a diversity of interests in Texas, that no general plan of railroads could be adopted by the State embracing less than three thousand miles, at a cost of not less than thirty millions of dollars. It is necessary that several lines of railroad should pass from tide-water or our gulf coast in a north-easterly, northerly and north-westerly direction through the interior of our State, to give our citizens a communication with our seaboard. It is also necessary that two or three routes should pass across our State from the eastern boundary to the Rio Grande in a westerly and south-westerly direction, to connect the prairie region with the timbered region and unite all parts of the State by the golden cords of interest, and to enable us to meet the railroads coming out from New

Orleans, and those coming from the various cities on the Atlantic seaboard and crossing the Mississippi at Vicksburg and Memphis. This would enable us to concentrate the travel and a large portion of the most valuable trade of the two hemispheres upon our central trunk leading by way of El Paso to the Pacific. No arguments are necessary to convince the people of Texas of the importance of these routes.

"Texas has not the money at her disposal to construct the roads mentioned, nor do we believe the people could be induced to alter the constitution and levy a tax to pay the interest on an amount sufficient to complete the roads. The committee feel it to be their duty to recommend a plan which will do the most good in the shortest time.

"The State should leave it to the companies which have been and may be chartered by our Legislature, to select their routes and construct their roads where they are willing to invest their money, and should extend the same aid to all companies, securing the State against loss by a lien upon the road and the land donated. In order to give inducements to capitalists and citizens to invest their money, the committee recommend the passage of a general railroad charter law, with such restrictions as the wisdom of the Legislature may deem proper. It is also recommended that the State set apart three millions of dollars of United States 5 per cent. bonds as an Internal Improvement fund to be loaned to railroad companies as follows: Whenever a section of five or ten miles of railroad may be completed in a good and substantial manner, the State shall loan one-third of the cost of construction to the company at five per cent. interest for a number of years, to be specified, taking a lien upon the road and land donated to secure the payment of the interest and principal of the loan. One half of this amount of three millions shall be set apart for railroads in the western, and the other half for railroads in the eastern congressional district. If any railroad costs more than twelve thousand dollars to the mile, then the State should loan four thousand dollars to the company for each mile of the section costing an average of that much or more to the mile.

"The committee further recommend that the State donate to all railroad companies not less than eight sections of land for each mile of road constructed with good substantial T or U iron rails, and regard it as important that a uniform width of track should be established for the State, so that the cars and locomotives might pass to any portion of the State where her railroad system may be completed.

"The State of Texas has ample means to chequer the State with railroads if she is guided by wise legislation. The three millions of dollars when loaned will give birth to nine millions of dollars worth of railroads, which amount loaned may then be collected and reloaned to other companies, and produce nine millions of dollars worth of railroads more, all of which may be done in less than twenty years by prudent legislation. In addition the committee recommend that the public domain be set apart for purposes of Internal Improvement, after satisfying outstanding claims, to prevent that extravagant and reckless legislation with regard to our public lands which has characterized our legislation for several years.

"These lands will give us a sufficient fund to complete our own State system of railroads and to extend sufficient aid to the great Atlantic and Pacific Railway to complete it across the continent. Much might be written on this subject alone, but it is not deemed necessary now to argue the matter to the people of Texas.

"The committee recommend the passage of a law authorizing any county in the State, by a vote of two-thirds of the voters of such county, to levy a tax for railroad purposes of not more than $\frac{1}{2}$ of 1 per cent. per annum on every hundred dollars worth of property, and to subscribe the amount so raised as stock in any railroad company the county may wish to aid. A law should also be passed giving to incorporated towns and cities the same privilege.

"It is also recommended that the Islands on our coast be sold as soon as it may be expedient and that the proceeds be set apart as an Internal Improvement fund to be loaned to railroad companies as directed heretofore. The resolution with regard to connecting the city of Austin with the Orleans and Opelousas road is one that is of deep importance to Texas, when we reflect that it would not only give us a good market for all our products, but place the seat of Government of Texas within twenty-four hours of the first southern city in the United States, and in immediate contact with more than twenty thousand miles of inland navigation, combining every variety of soil, climate and production in the temperate zone.

"It is believed that the charters granted by the Legislature, with slight amendments, could be made to answer the wants of the country, but the committee believe that a general charter law for railroads, and a general loan law would give more general satisfaction, without interfering with the rights of any companies already formed. The committee believe that Galveston is the best port in our State, and that it should be the radiating

point for our railroads, although we look with deep interest to connections with New Orleans, Vicksburg and Memphis. The connection between the prairie and timbered portions of Texas is of the greatest importance to every part of the State, as it will prevent a division, and give us that importance to which our territory, wealth and population will entitle us when our railroads shall make us the very first State of the American confederacy."

Concurring in the general sentiments and plan set forth in this report, but not in all its details, and believing that the people are fully satisfied on the general policy to be pursued, and also that their demands are urgent for prompt action, I dissent from the report of the majority.

P. W. GRAY,

One of the committee.

We concur in the above report,

JAMES DAVIS,

One of the committee.

STEPHEN REAVES,

SAMUEL BOGART.

A message was received from the House, informing the Senate that the House had passed a bill concerning offences committed by negroes, which originated in the Senate with amendments; also, that the House had passed the following bills, viz:

A bill to incorporate the Marshall Railroad company; and,

A bill to authorize Stephen P. Holingsworth and his associates to construct a bridge across the Sabine river.

On motion of Mr. Potter, a bill concerning offences committed by negroes, with amendments from the House, was taken up, and amendments adopted.

A bill supplementary to an act relating to lands in Peters' Colony, approved February 10, 1852.

On motion of Mr. Day, made the special order for Tuesday, 11 o'clock.

A bill to prevent Stallions and Jacks from running at large; read third time and passed.

A bill for the relief of the heirs of Stacy Daily; read third time and passed.

A bill supplementary to an act regulating fees of office; read third time and passed by the following vote:

YEAS—Messrs. Armstrong, Bigelow, Bogart, Burks, Day, Hart, Hill, Meusebach, Potter, Reaves, Scott, Taylor, Truit, Williams and Wilson—15.

NAYS—Messrs. Dancy, Davis, Duggan, Gray and Grimes—5.

A bill for the relief of William E. Howth; read third time and passed.

The report of the committee on Finance on the petition of Mr.

Giraud, asking to be discharged from the further consideration of the same.

On motion of Mr. Meusebach, the petition was re-referred to a special committee.

Messrs. Meusebach, Dancy, Williams, Day and Duggan were appointed said committee.

The report of the committee on Education on the petition of sundry citizens praying an appropriation for the convent of the order of the Sisters of the Ursuline Order, asking that it be referred to the committee on State Affairs, was read and adopted.

A bill to create the county of Groce; read second time.

Mr. Gray offered the following amendment:

In section 1, strike out the following words: "thence to the north-west corner of the Hamlin survey, thence to the south corner of the same."

Mr. Armstrong offered the following amendment:

Amend by inserting after the words "Brazos river to the mouth," "to the mouth of Beason's creek; thence east with the north line of Austin county to the head of Pond creek; thence to the head of Spring creek, and with the south line of Grimes county, down Spring to the place of beginning;" adopted and bill ordered to be engrossed.

Mr. Armstrong moved to suspend the rule; lost.

Joint resolution proposing an amendment to the constitution; read second time and ordered to be engrossed.

Resolution instructing the committee on the Judiciary to report a bill prohibiting District Judges from striking practicing Attorneys from the roll for contempt of court, &c.; read and adopted.

A bill for the relief of the proprietors of the town of Saluria; read second time and ordered to be engrossed.

A bill for the relief of the heirs of Eli W. Lawler, deceased; read second time and ordered to be engrossed.

A bill authorizing Bartlett Sims to raise a location therein named and locate the same on any vacant land; read second time, and ordered to be engrossed by the following vote:

YEAS—Messrs. Armstrong, Bogart, Ford, Grimes, Hill, Meusebach, Parker, Potter, Scott, Truit, Williams and Wilson—12.

NAYS—Messrs. Dancy, Davis, Duggan, Gray, Hart, Miller and Taylor—7.

A bill for the relief of Alexander McKenzie; read second time and ordered to be engrossed.

The report of the committee on the Militia, on the petition of David Cook, asking that the petition be referred to the committee on Public Debt, was read and laid on the table.

The report of the committee on State Affairs on the petition of citizens of Guadalupe county asking permission for negro Daniel to remain in the State, reporting unfavorably thereon, was read and adopted.

The report of the committee on Claims and Accounts on the petition of A. Morgan, read and laid on the table.

The report of the committee on Bills, granting one-third league of land to William Windgate, recommending that no action be had thereon; read and adopted.

The report of the committee on State Affairs on the petition of Patrick C. Shannon, asking to be discharged from its further consideration; read and adopted.

The report of the committee on the Judiciary on a bill concerning proceedings in county courts pertaining to estates of deceased persons, recommending its indefinite postponement, was read and adopted.

A bill to prohibit the depositing of cotton seed outside of enclosures; read second time and ordered to be engrossed.

Joint resolution to provide for amending the 30th section of the general provisions of the constitution, together with the report of the committee on State Affairs offering amendments thereto, was read and amendments adopted.

Mr. Hill offered the following amendment: after "bonds" insert "of the State of Texas;" adopted.

The Joint resolution was then rejected by the following vote:

YEAS—Messrs. Bigelow, Dancy, Day, Gray, Potter, Reaves, Scott, Taylor, Truit, Williams and Wilson—11.

NAYS—Messrs. Armstrong, Bogart, Davis, Duggan, Ford, Grimes, Hart, Hill, Meusebach, Miller and Parker—11.

On motion, the Senate adjourned.

TUESDAY, February 1, 1853.

The Senate was called to order by the President *pro tem.*, pursuant to adjournment—prayer by the Rev. Mr. Thomas—roll called—quorum present.

The Journal of yesterday was read and adopted.

Mr. Taylor presented the petition of sundry citizens, asking the passage of a law to permit Adam Sheffield to sell groceries without paying license tax; laid on the table.

Mr. Hill made the following report:

The committee on the Public Debt, to whom was referred the petition of Samuel Swartwout, of William E. Mayhew, Alex.